

**BEFORE THE  
STATE OF ILLINOIS  
COMMERCE COMMISSION**

Petition for Certificate of Authority	)	
of Essex Communications, Inc.	)	
d/b/a cLEC Communications	)	Case No. 00-0403
to Provide Facilities Based	)	
Telecommunications Services	)	
Within the State of Illinois	)	

**ESSEX COMMUNICATIONS, INC.**

**TESTIMONY OF PAUL RISS**

**OFFICIAL FILE**

I.C.C. DOCKET NO. 00-0403

Petitioner's Exhibit No. 1

Witness Riss

Date 09/14/00 Reporter RE

Petitioner's EX

**Q. Will you please state your name and business address.**

**A.** My name is Paul Riss. Essex's main address is 48 So. Service Road, 3<sup>rd</sup> Floor, Melville, New York 11747. I am located at my business address of 509 Westport Avenue, Norwalk, Connecticut 06851, which is the address of eLEC Communications Corporation. My telephone number is (203) 750 - 1000 and facsimile number is (203) 750 - 1003.

**Q. By whom are you employed and in what capacity?**

**A.** I am the CEO, CFO and Treasurer of Essex Communications, Inc. d/b/a eLEC Communications as well as the parent Company, eLEC Communications Corporation.

**Q. Please give a brief description of your background and experience.**

**A.** Prior to joining Essex I worked at Sirco International Corp., where I managed internal and external reporting and provided financial analysis for the acquisition of an internet service provider and for Essex. Prior to that I was Chief Financial Officer for three companies, Sequins International, Component Guard and Peter's Bag. I began my career at Ernst & Young where I was promoted to Senior Audit Manager.

**Q. What is the purpose of your testimony?**

**A.** The purpose of my testimony is to present evidence on the financial, technical and managerial abilities of Essex Communications, Inc. d/b/a eLEC Communications ("Essex") to provide facilities-based local and interexchange telecommunications services in Illinois; to describe the services Essex proposes to offer and to discuss how Essex intends to comply with Illinois rules regarding the provision of facilities-based service.

**Q. Has Essex registered to do business in Illinois?**

**A. Yes.** Essex has authorization to conduct business in Illinois. A copy of the certificate is attached to our application in Attachment I.

**Q. Describe where Essex is certificated and the Company's experience in the telecommunications business.**

**A.** Essex is currently certificated or has registered to provide quality local and long distance service in California (long distance only), Colorado, Connecticut, Florida, Kentucky, Maryland, Massachusetts, Montana, Nevada, New Hampshire (long distance only), New Jersey, New York, Rhode Island and Virginia. Essex has applications pending in Alabama, Arizona, California (local), Georgia, Illinois, Louisiana, Michigan, Minnesota, Missouri, New Hampshire (local), Oregon, Vermont and West Virginia. The Company has also registered in Pennsylvania and is permitted to provide service while its application is before the Commission. Indeed, Essex's experience and record as a provider of telecommunications service demonstrates its commitment to providing high quality, high value telecommunications services to Illinois consumers.

**Q. Where in Illinois does Essex intend to offer its local services?**

**A.** By its application, Essex is seeking statewide authority, although initially the Company will offer services only in those areas currently served by Ameritech.

**Q. Please describe the services Essex proposes to offer.**

**A.** Essex intends to offer a full range of local exchange and exchange access telecommunications services in the State of Illinois. Specifically, Essex intends to offer basic local exchange service, Direct Inward Dial (ADID®), Direct Outward Dialing (ADOD®), Digital T-1,

Emergency 9-1-1, ISDN PRI/BRI, High Speed DSL service, directory assistance and operator services. These services will be offered to both small- and medium-sized business customers.

**Q. Describe the proposed Essex Illinois tariff.**

**A.** Essex's proposed tariff will covers its proposed local service offerings. Specifically, the service offerings tariffed include basic local service, DID, ISDN PRI, directory assistance and operator services.

**Q. Does Essex own any network switches or transmission facilities used in routing calls?**

**A.** No. Essex intends to utilize the incumbent LEC's switches through the utilization of the UNE-P option as described in the Company's interconnection agreement with the ILEC.

**Q. How will Essex bill for its services?**

**A.** Essex will bill customers directly for the services it will offer within Illinois. Essex's name and toll-free number for customer inquiries will appear on each invoice.

**Q. How are billing errors, complaints and trouble reports handled?**

**A.** Essex provides comprehensive customer service to its customers. Customers may reach the Company at the toll-free customer service number, (888) 389-1400. The hours of operations for customer services are Monday through Friday from 8:00 AM to 7:00 PM Central time. Calls made outside of the normal hours will reach an answering service and will be returned the next business day. The answering service will page the designated after-hours Company representative for matters requiring immediate attention. Essex will be responsible for all customer inquiries and complaints.

**Q. How will Essex effect repairs for local service?**

**A. Essex will provide repair services using its own agents or through agents contracted for with the incumbent local exchange carrier or an independent third-party contractor.**

**Q. Does Essex have a contact person that will work with the Illinois Consumer Services Division for customer complaint resolution?**

**A. Yes. The contact person for the Illinois Consumer Services Division is Wesly Minella, Telecom Manager. He can be reached at 48 South Service Road, 3<sup>rd</sup> Floor, Melville, New York 34747.**

**Q. Does your Company have a sample Customer bill or disconnect final notice that is in compliance with Illinois Administrative Code Part 772.55?**

**A. Yes. A sample customer bill that will be disseminated to Illinois customers is attached hereto. This billing statement is in compliance with the Illinois Administrative Code.**

**Q. Is the Company aware of the area code splits and Ameritech's role as number administrator?**

**A. Yes.**

**Q. Will Essex assist Ameritech in its role by providing timely and accurate forecasts of its customers' demand?**

**A. Yes, Essex will reply to these requests in a timely and accurate manner.**

**Q. Has Essex begun negotiations with incumbent LECs in Illinois?**

**A. Yes.** Essex has a signed and approved interconnection agreement already on file with the Commission.

**Q. Will your tariff include 9-1-1 service?**

**A. No.** Essex does not have plans at this time to offer 9-1-1 service facilities or databases to county or emergency service personnel. It will, however, provide 9-1-1 calling capabilities to its customers and will contract with ILECs or emergency service providers to insure that its customer's information is included in all applicable 9-1-1 databases. No database charges will apply to our customers. If necessary to remain in compliance with Illinois regulations in the future, Essex will collect 9-1-1 surcharges as ordered and will remit those surcharges to the appropriate agencies.

**Q. Is your Company prepared to handle 9-1-1 service pursuant to the Emergency Telephone Systems Act, 83 Illinois Administrative Code Part 725?**

**A. Yes.**

**Q. Will your Company file a tariff for all services and charges associated with 9-1-1 if any?**

**A. Yes.** Essex's tariff will include any service charges associated with the offering of 9-1-1 service to customers. However, we do not anticipate offering 9-1-1 systems for installation at the counties. Essex's customers will be able to dial 911 and reach the emergency systems provided by other carriers to the agencies.

**Q. Who will be responsible for building and maintaining the 9-1-1 database for your customers? How often will updates be performed on the 9-1-1 database?**

**A. The Essex contact for 9-1-1 services is Mr. Patrick Freeman, Vice President, Wholesale Services. He may be reached at Company's main number, (407) 313-7090. While we have not yet developed exact plans, we anticipate that the frequency of the data base updates will be the same for Essex as for the ILEC.**

**Q. Does your Company have procedures for the transitioning of 9-1-1 surcharge collection and disbursement to the local 9-1-1 system?**

**A. The Company does not have procedures in place but will develop appropriate procedures prior to providing service in the state. Essex will collect and remit all surcharges required by the state.**

**Q. Will your Company's customers receive the same quality of 9-1-1 service that is currently offered from the incumbent LECs?**

**A. Since we will contract with the ILECs for 911 access on behalf of our customers, our 9-1-1 service will mirror that of the ILEC.**

**Q. Will you be able to meet the requirement under section 725.500, 0. for call boxes?**

**A. Essex does not anticipate engineering 911 systems and, therefore, does not plan to implement call boxes as anticipated by Section 725.500,0. Essex will coordinate with the local 911 system provider(s) for emergency call routing in the event the central office is isolated from the control office or selective router.**

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**Q. Who will be your 911 Coordinator?**

**A. The Essex contact for 9-1-1 services is Mr. Patrick Freeman, Vice President, Wholesale Services. He may be reached at Company's main number, (407) 313-7090.**

**Q. Describe Essex's financial ability to operate as a telecommunications provider.**

**A. Essex has ample financial resources for the successful provision of its telecommunications services. Financial information was provided in Attachment IV of the Company's application.**

**Q. How will Essex collect and remit appropriate taxes in Illinois?**

**A. The Company does subscribe to the necessary tax programs and databases to track the current tax rate for all jurisdictions in which Essex customers reside. The taxes collected by the Company will be remitted to the correct taxing authorities. Our accounting system will provide sufficiently detailed data for preparation of the Illinois Gross Receipts Tax returns.**

**Q. Will the Company collect and remit the ITAC line charge from all telephone subscribers for the TTY Equipment Loan Program and Telecommunications Relay Service?**

**A. Yes, Essex will collect the ITAC line charge from subscribers required to support ITAC and will coordinate with the ILEC to remit the charge. If Essex has a subscriber eligible for ITAC benefits, Essex will coordinate with the ILEC for the provision of the service.**

**Q. Will the Company meet the requirements of Section 13-703 of the Public Utilities Act?**

**A. The Company will comply with any program designed and implemented by the Commission to provide telecommunications devices to the deaf and hearing impaired.**

**Q. Has the Company ever provided service under any other name?**

**A. No.**

**Q. How do you plan to solicit customers?**

**A.** Essex will need to use a variety of techniques to obtain customers. For example, a portion of the business market that Essex hopes to serve may already be familiar with Essex because they have purchased long distance or local exchange services from Essex at other locations. These potential customers may be approached using personal visits or telephone calls. To that end, Essex has employed a full team of customer service agents whose primary responsibilities include soliciting new customers on behalf of Essex. Business customers also may be solicited using standard marketing techniques including telemarketing, direct mail and advertisements in various forms of media.

**Q. Please provide a copy of your Company's written guidelines to prevent unauthorized "slamming" of local exchange customers.**

**A.** Consistent with federal and state regulations governing primary carrier changes, Essex's policy is to obtain a written or a recorded verbal Letter of Agency ("LOA") from each customer prior to switching the customer to Essex's services. Essex's LOA, as drafted, incorporates all of the FCC requirements for carrier changes and requires actual execution by the customer approving the change.

**Q. Will the Company sign and return to the Universal Telephone Assistance Corporation (UTAC) all of the necessary membership forms in a timely manner? And will the Company solicit, collect and remit to UTAC the voluntary contributions collected monthly from its telephone subscribers to support the Universal Telephone Service Assistance Program? (UTSAP)**

**A. Yes. As required by the Commission, Essex will return to the Universal Assistance Corporation (UTAC) all the necessary membership forms by the date required. In addition, Essex will implement the necessary procedures for solicitation, collection and remittance of contributions collected from subscribers to support the Universal Telephone Service Assistance Programs.**

**Q. Will Essex comply with Sections 13-301 and 13-301.1 of the Public Utilities Act regarding the Lifeline Program and with 83 Illinois Administrative Code Part 757 regarding Telephone Assistance Programs?**

**A. Yes. In accordance with Section 13-301.1 (a) of the Public Utilities Act, Essex will offer a 50% waiver (up to \$30) and other supplemental waivers on installation charges for Lifeline Program to eligible residential customers. We will work with the incumbents to implement the requirements and will join UTAC as described above.**

**Q. Why is Essex seeking a waiver from the Uniform System of Accounts?**

**A. The Company currently maintains its books and records according to GAAP (Generally Accepted Accounting Principles). Essex requests the waiver to avoid maintaining two sets of books. USOA was designed for an older form of rate base regulation that has little value in a telecommunications environment.**

**Q. Will your Company be prepared to comply with applicable parts of Illinois Administrative Code Parts 720, 725, 735, 755, 756, 757 and 772?**

**A.** The Company has obtained copies of these rules and will comply with those parts applicable to local exchange carriers by providing the services directly or by contracting for service from the incumbent local exchange carrier. The Company does not plan to offer billing and collection to information service providers at this time, but may choose to do in the future in accordance with 83 Illinois Administrative Code 772. Pay-per-call services that are billed under this code will include a separate heading identifying the pay-per-call service charges. Any final notice sent pursuant to 82 Ill. Adm. Code 735 to a subscriber that includes pay-per-call charges would have surcharges segregated from the amounts the subscriber must pay to avoid disconnection. Further, the final notice will state that only non-pay-per-call amounts must be paid to avoid disconnection (Section 772.110 d).

**Q. Have any formal complaints or judgments been levied against the Company?**

**A.** No, the Company has not been involved in any formal customer complaints.

**Q. How will Illinois consumers benefit from Essex's services?**

**A.** Certification of Essex as a facilities-based provider of local and interexchange services will increase the level of facilities-based competition in Illinois. Currently, Essex offers quality services at competitive prices. The use of facilities will only enhance the Company's ability to provide innovative, high quality telecommunications services to Illinois consumers. In addition, Essex's marketing plan will expand subscriber awareness of options and services available to them, thus encouraging the growth and success of competitive services.

**Q. Will the applicant sign and return membership forms to the Universal Telephone Assistance Corporation and the Illinois Telecommunications Access Corporation?**

**A. Yes. Essex is attaching the signed membership forms to the Universal Telephone Assistance Corporation and the Illinois Telecommunications Access Corporation to this testimony.**

**Q. Does this conclude your testimony?**

**A. Yes.**

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**Q. Does this conclude your testimony?**

**A. Yes.**

## VERIFICATION

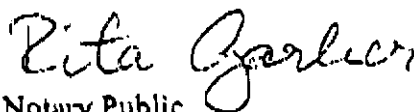
Paul Riss, being first duly sworn on oath, deposes and states that he is the Chief Executive Officer of Essex Communications, Inc. and that he has read the above and foregoing testimony and knows the contents thereof as well as the contents of the original application filed in this proceedings, and that the same are true to the best of his knowledge, information and belief.



Paul Riss  
Chief Executive Officer  
Essex Communications, Inc.  
37 North Avenue  
Norwalk, Connecticut 06851

Telephone: (203) 750 - 1000  
Facsimile: (203) 750 - 1003

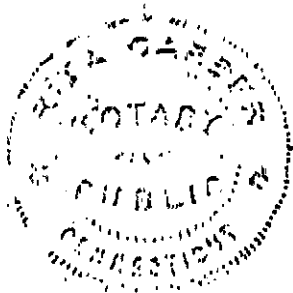
Subscribed and sworn to before  
me this 16<sup>th</sup> day of August, 2000



Notary Public

**RITA GARBER**  
**NOTARY PUBLIC**  
MY COMMISSION EXPIRES JUNE 30, 2006

My Commission expires on:



**EXHIBIT A****Essex Communications, Inc.  
Customer Change Policy Statement**

Slamming is defined as the unauthorized change in a customer's telephone exchange service or long distance service provider. In accordance with Section 258 of the Telecommunications Act of 1996, "a change in a subscriber's selection of a provider of telephone exchange service or telephone toll service except in accordance with such verification procedures as the Commission shall prescribe" is prohibited. This section of the Act also allows State Commissions to enforce procedures for services under their jurisdiction. The FCC, in response to the provisions of Section 258, initiated a Further Notice of Proposed Rulemaking and Memorandum Opinion and Order on Reconsideration in Docket 94-129. In that proceeding the FCC proposes to amend its Part 64 rules to include not only slamming of long distance, but also local exchange services. These rules, in conjunction with any state Commission requirements, should provide the basis to avoid slamming by any LEC.

Essex will clearly abide by these rules and will incorporate the specific requirements into its operational processes. Further, Essex will make it clear to its employees and third party agents (if any are utilized) that it will not tolerate any forms of customer acquisition that involve slamming practices. Essex's plans of providing any integrated package of several service to customers will make it even more important that Essex establish a clear understanding up front of which services the customer is purchasing. The need for this clarity should provide even greater assurance that the customer understands the full extent of Essex's offering before deciding to switch to Essex.